Appendix 2 – Alternative Options

Scheme Option	Description	Impacts	Risks / Issues	Assumptions in assessment
1. Cancel the scheme.	The scheme could be immediately cancelled on the grounds of unaffordability. The land already acquired for the scheme would be sold, the planning permission allowed to lapse, and the compulsory purchase orders not implemented. All work would cease on the scheme and only the costs of returning the land to its original condition and disposal would remain to be funded	This option would give most cost certainty	The MEB is a Local Plan led scheme which will deliver the main strategic employment allocation and housing growth as well as transport benefits. 1,950 new dwellings and 6,500 additional jobs are directly or indirectly linked to the delivery of the scheme. These benefits will be lost. The income from future business rates from employment uses on the released employment land would be lost. The residual Council capital funding spent developing the scheme (c£27.9m) would need to be re-assigned to revenue budgets as there would be no asset eventually resulting from the expenditure. This would make a S114 notice significantly more likely. Cancellation of the scheme at this stage could cause reputational damage to the Council and would also affect the credibility of any future Council funding bids. Congestion and air quality issues in Middlewich would remain. The Council would receive pressure from developers to continue to develop the allocated MidPoint18 Employment site in the absence of the bypass.	That the DfT grant initially received to develop the Outline Business Case (£1.2m) would not need to be repaid. The value of the land already acquired for the scheme that would be re-sold is only an approximate estimate. For the purposes of a comparative assessment between options, it has been assumed that any future S106 developer funding intended to be used in the other options towards the construction of the scheme will be lost.

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2. “Mothball” the scheme pending the identification of additional funding.	Development of the scheme would be halted, but acquisition of the remaining land required would continue and planning permission would be implemented. Construction would not proceed until such a time that the additional funding required for the scheme was identified.	The MEB is a Local Plan led scheme which will deliver the main strategic employment allocation and housing growth as well as transport benefits. 1,950 new dwellings and 6,500 additional jobs are directly or indirectly linked to the delivery of the scheme. These long-term benefits to the borough would be retained as the long-term intention remains to deliver the scheme. The income from future business rates from employment uses on the released employment land would be retained. The past and future developer S106 contributions to the scheme could be retained.	The timescales would be uncertain and therefore the long-term borrowing costs until scheme completion is also uncertain. Construction costs will increase due to inflation and other impacts. Some environmental and ecological work would need to be repeated. Contract tender preparation work would need to be repeated when the programme for construction was known. There would be some continuing holding costs for land acquired until scheme construction could commence. It is not likely that DfT will agree to the mothballing option and may withhold the grant.	For evaluation purposes, it has been assumed that funding would be identified, and construction of the scheme would commence in 5 years’ time. That the DfT grant for the scheme would remain at £48m and would still be available at a future scheme delivery date. Future inflation rates have been assumed to arrive at construction cost and S106 income estimates.
3. Proceed to build the scheme	The development a new target cost and a new construction programme would proceed immediately following notification from the DfT	The MEB is a Local Plan led scheme which will deliver the main strategic employment allocation and housing growth as well as transport benefits. 1,950 new dwellings and 6,500 additional jobs are	The DfT decision delay has now prevented scheme commencement in 2025, which has resulted in an increased costs estimate and a funding gap of approximately £9.73m	That the DfT grant for the scheme would remain at £46.78m and that a decision will be received from them before September 2025, but the grant will not be received until construction starts (if DfT agree)

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		directly or indirectly linked to the delivery of the scheme. These long-term benefits to the borough would be retained. The income from future business rates from employment uses on the released employment land would be retained. The past and future developer S106 contributions to the scheme could be retained.	for the updated estimate (Subject to receipt of tender cost from the Contractor)	That the funding gap is addressed by implementing the recommendations in this report. That the reallocation of funding from other programmes will be accepted by DfT and Active Travel England. Future inflation rates have been assumed to arrive at construction cost and S106 income estimates.
4. Develop all the remaining employment land from a partial scheme from the northern end.	Build the northern end of the bypass as far as Cledford Lane to access the employment land from there, until funding is identified for full scheme delivery.	Partial implementation of the northern section is estimated to result in an overall increase of £16m in construction costs for delivery for the full scheme. The scheme would not be eligible for the £46.78m DfT grant until the full scheme could be assured. The peak nett borrowing position of the Council would be approximately £54m before the assumed receipt of the DfT grant.	This option would be contrary to current planning policy and would require a wholesale change of approach to the scheme; potentially needing a new planning application. The DfT would need to agree this new approach without altering the grant funding (Considered unlikely) It is likely that some of the S106 developer contributions would not be able to be used to contribute to a partial scheme that did not result in a full bypass. A new committee decision would be required to proceed with the scheme on a phased basis.	A partial scheme, with no certainty around if or when the full scheme would be delivered, would no longer be eligible for the £46.78m DfT grant immediately, and the Council would have to fund all of a partial scheme. The scheme would not be eligible for the DfT grant until the full scheme could be built and the DfT would agree to award the full grant based on the current business case. Other costs associated with this option (such as re-doing a planning application or a public inquiry) have not been assessed or included.

Scheme Option	Description	Impacts	Risks / Issues	Assumptions in assessment
		This option could retain the some of the scheme employment benefits in the long term. Some income from future business rates from employment uses on the released employment land would be retained. Some of the past and future developer S106 contributions to the scheme may be able to be retained, although this is not guaranteed.	External legal advice is that using the existing CPOs to build a partial scheme only would not be possible as the benefits of the scheme as presented to the Public Inquiry would not be realised. A partial scheme would lead to increased severance and compensation costs with impacts on the side road orders. Any partial scheme would need to CPO all of the land required for the full scheme to justify a phasing approach with holding costs for the unutilised land.	All costs other than construction related costs remain the same for the purposes of comparison.
5. Develop all the remaining employment land from a partial scheme from the southern end.	Build the southern end of the bypass as far as Cledford Lane to access the employment land from there, until funding is identified for full scheme.	Partial implementation of the southern section is estimated to result in an overall increase of £14m in construction costs for delivery for the full scheme. The scheme would not be eligible for the £46.78m DfT grant until the full scheme could be assured.	This option would be contrary to current planning policy and would require a wholesale change of approach to the scheme. The DfT would need to agree this new approach without altering the grant funding (Unlikely) It is likely that some of the S106 developer contributions would not be able to be used to contribute to a partial scheme that did not result in a full bypass.	A partial scheme, with no certainty around if or when the full scheme would be delivered, would no longer be eligible for the £48m DfT grant immediately, and the council would have to fund all of a partial scheme. The scheme would not be eligible for the DfT grant until the full scheme could be built and the DfT would agree to award the full grant based on the current business case.

Scheme Option	Description	Impacts	Risks / Issues	Assumptions in assessment
		The peak nett borrowing position of the Council would be approximately £73m before the assumed receipt of the DfT grant. This option could retain the some of the scheme employment benefits. Some income from future business rates from employment uses on the released employment land would be retained. Some of the past and future developer S106 contributions to the scheme may be able to be retained, although this is not guaranteed.	A new committee decision would be required to proceed with the scheme on a phased basis. External legal advice is that using the existing CPOs to build a partial scheme only would not be possible as the benefits of the scheme as presented to the Public Inquiry would not be realised. A partial scheme would lead to increased severance and compensation costs with impacts on the side road orders. Any partial scheme would need to CPO all of the land required for the full scheme to justify a phasing approach, with holding costs incurred for the unutilised land.	Other costs associated with this option (such as re-doing a planning application or a public inquiry) have not been assessed or included. All costs other than construction related costs remain the same for the purposes of comparison.
6. As Option 5, but remove the canal Bridge connection to Booth Lane.	To construct a temporary connection to Booth Lane, Build the southern end of the bypass as far as Cledford Lane, as per Option 5, (but without the Canal Bridge connection to Booth Lane) until funding is identified for the northern section. (i.e. a complete removal of canal bridge from scheme) A financial	Would save approximately £13m of initial construction costs, but result in an overall increase of £9m in construction costs for delivery for the full scheme.	Would be subject to a review of the impacts of this, and the agreement of DfT to defer delivery of the bridge (post any grant of funding decision) A new committee decision may be required to proceed with the scheme on a phased basis. If the full scheme were subsequently built in a 2nd phase, the overall scheme cost would	Other costs associated with this option (such as re-doing a planning application or a public inquiry) have not been assessed or included.

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	assessment of this option is attached as Confidential Appendix 2		increase by approximately £9m increasing the financial challenge.	
7. Retender the project with a different contractor	Halt the process towards an award of contract through the Scape framework and start a new process towards awarding the construction to a new contractor.	May result in a cheaper construction price, may be a higher price.	This option would introduce major delays with associated extra costs (e.g. CPOs will expire and need re-making with subsequent Public Inquiry re-run) The current cost estimate is arrived at via a national framework in which a full market testing via tendering of at least 85% of the value of the contract has taken place. The current estimated contract cost is approximately £48m. Even if a 10% saving could be achieved from retendering, it is very likely that this would be more than exceeded by the increased costs as a result of the lengthy delay and significant amount of re-working (retendering costs / Public Inquiry / surveys etc)	This would effectively be the same outcomes as Scheme cancellation due to key project milestones being unable to be met; setting the scheme back a minimum of two years, as such the capital financing element of this has not been explored.